

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM

**PERSONNEL POLICIES AND
PROCEDURES MANUAL**

**This manual is the exclusive property of
Lake Michigan Air Directors Consortium
9501 West Devon Avenue, Suite 701
Rosemont, Illinois 60018**

It is not intended for copyright or reproduction.

May 2011

TABLE OF CONTENTS

I. INTRODUCTION	4
II. HIRING	5
A. Standards of Performance	5
B. Affirmative Action Policy	6
C. Employee Recruiting and Hiring	6
1. Recruitment	6
2. Hiring	6
D. Immigration Policy	7
III. EMPLOYMENT	7
A. Regular, Full-time Employee	7
B. Regular, Part-time Employee	7
C. Temporary Employee	8
D. Exempt and Non-Exempt Status	8
E. Outside Activities	8
F. Hours of Work and Attendance	9
G. Inclement Weather and Building Closure	10
H. Personnel Records	10
I. Training	10
IV. COMPENSATION	10
A. Pay Procedures	10
1. Frequency	10
2. Payment and Documentation	10
3. Authorized Salary Deductions	11
4. Salary Adjustment/Evaluation	11
B. Personnel Activity Reports (Time-Sheets)	11
C. Overtime Practices	11
D. Compensatory Time	12
V. BENEFITS	12
A. Applicability	12
B. Life Insurance	12
C. Health Insurance	12
1. Standard Health Insurance	12
2. Supplemental Health Insurance	12
3. Long-Term Disability Insurance	13
D. Retirement Pay	13
E. Workmen's Compensation Insurance	13
F. Relocation Expenses	13

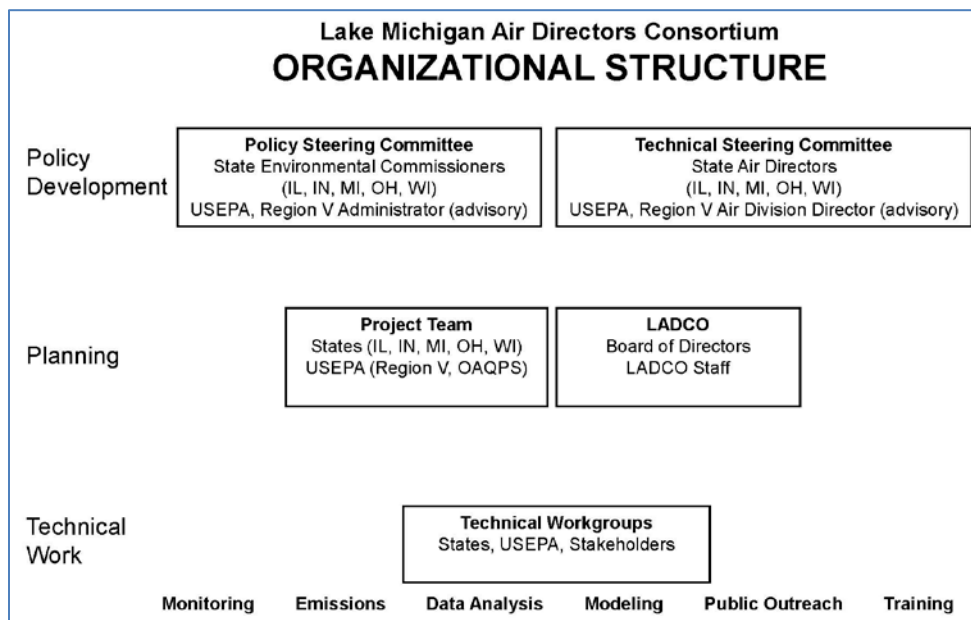
VI. LEAVE and ABSENCES	14
A. Holiday and Personal Leave	14
B. Vacation Leave	15
C. Sick Leave	15
D. Maternity and Paternity Leave	16
E. Jury Duty Leave	16
F. Bereavement Leave	16
G. Leave of Absence	16
H. Voting Leave	17
VII. EMPLOYMENT CONDUCT and WORKING CONDITIONS	17
A. General Employee Conduct	17
B. On-the-Job Injuries	18
C. Drug-Free Workplace	18
D. Harassment	18
E. Conflict of Interest	19
F. Smoking Policy	20
G. American with Disabilities Act	20
H. State Office Policies	20
VIII. EMPLOYEE SEPARATION	20
A. General	20
B. Resignations	21
C. Termination	21
IX. DISCIPLINARY ACTIONS	21
A. Background	21
B. Types of Unacceptable Behavior	21
C. Action to Be Taken	22
D. Appeals Process	22
X. AMENDMENTS AND EXCEPTIONS	22
A. Amendments	22
B. Exceptions	23
ATTACHMENT A – Position Descriptions	24
ATTACHMENT B – Personal Activity Report	30
ATTACHMENT C – Drug-Free Workplace Act of 1988	32

I. INTRODUCTION

The Lake Michigan Air Directors Consortium (LADCO) was established in 1989 by the States of Illinois, Indiana, Michigan, and Wisconsin. In 2000, the State of Ohio joined LADCO. The main purposes of LADCO are to:

- provide technical assessments for and assistance to its member states on problems of regional air quality;
- provide a forum for its member states to discuss regional air quality issues;
- promote communication and understanding on air quality issues and studies in cooperation with the U.S. Environmental Protection Agency (USEPA);
- provide information and respond to questions related to the work of the Consortium;
- receive and disburse funds from and to any source to further the purposes of the Consortium;
- encourage the exchange of knowledge, experience, and information related to air quality issues among its members; and
- organize and coordinate training for its member states.

In accordance with Article XVII of the LADCO By-Laws (March 1, 2004), “(t)he membership shall appoint an executive director to be responsible for the managerial and technical administration of the daily activities of the Consortium... The membership may appoint or authorize additional executive staff as required by the workload.” The current LADCO executive staff consists of an executive director, administrative assistant, photochemical modeler, emissions modeler, and data analyst. Position descriptions for each executive staff position are provided in Attachment A. Pursuant to a contractual arrangement between LADCO and a given state, additional LADCO employees (henceforth “regional staff”) may be established and based in a state agency office, such as Illinois and Wisconsin. An organizational chart for LADCO is provided below.



LADCO considers the executive staff and regional staff to be important and integral members of the LADCO team. This manual will apply to all LADCO executive staff, and, as appropriate, regional staff. (Note, as clarified in this document, regional staff may be directed to follow state policy for some items.) To help each employee be a successful team member, LADCO developed this manual to clarify personnel policies and procedures applicable to employees. The manual is designed to be a reference guide for current employees, as well as a source of information to new employees. (For situations not covered in the manual, or for further information or clarification, please feel free to consult the Executive Director.) It is the responsibility of all LADCO employees to comply with the policies and procedures in this manual. It is the responsibility of the Executive Director to ensure that these policies and procedures are implemented.

In accordance with Article XVII of the LADCO By-Laws (March 1, 2004), “(t)he hiring and firing, the wages, benefits and other compensation, as well as job description and duties, of all executive staff shall be approved in advance by the Board of Directors. All promotions, raises and other increases in benefits or other compensation of executive staff shall be approved in advance by the unanimous consent of the Board of Directors.” As such, any revisions to the policies and procedures in this manual, including revisions suggested by the Executive Director or the executive staff, must be approved by the Board of Directors.

In those states with regional staff, the state shall appoint a designee to handle personnel matters, work assignments, and other such matters for the regional staff. The hiring and firing, the wages (including raises), and job descriptions and duties of the regional staff shall be approved in advance by the State Air Director, the state designee, and the Executive Director. The benefits, leave, employee conduct, and other items covered by this document shall apply to the regional staff. Any changes or adjustments shall be approved in advance by the State Air Director, the state designee, and the Executive Director.

This manual sets forth policies and procedures and is not intended to be contractually binding. In case of any differences, an employee’s contract supercedes this manual. If his/her contract does not cover a provision, then the employee may rely on this manual as it pertains to items not covered in the contract.

II. HIRING

A. Standards of Performance

It is LADCO’s policy to employ and retain only the best-qualified personnel available.

LADCO will expect from each employee only the highest standards of performance, cooperative effort, and dedication to its objectives and programs.

In return, LADCO will attempt to maintain salaries and benefits on a comparable basis with those provided in similar employment in other comparable multi-jurisdictional

organizations, and other business and government agencies in the greater Chicago area for the executive staff or the location of the state agency offices for the regional staff.

B. Affirmative Action Policy

It is LADCO's policy to recruit and employ the best-qualified personnel and provide equal opportunity without regard to race, religion, color, sex, sexual orientation, national origin, age, marital status, veteran status, or non-job function related disability in all matters related to employment and to treatment on the job.

LADCO will comply with the requirements of any non-discrimination statutes, which may apply.

Each employee of LADCO will be treated on an equal basis with all other employees in accordance with applicable local, state, and federal laws. This policy applies to every phase of the employment relationship, including recruitment, hiring, promotion, demotion, transfer, discipline, lay-off, termination, rates of pay, and other benefits.

C. Employee Recruiting and Hiring

1. Recruitment. It is LADCO's policy to be an equal opportunity employer and to hire individuals solely upon the basis of their qualifications and demonstrated ability to perform the job.

For the executive staff, upon approval by the Board of Directors, the Executive Director will: (1) prepare a formal job description and job announcement; (2) ensure that recruitment sources and methods are used that will attract a diverse pool of qualified applicants; (3) prepare and fairly distribute employment announcements; (4) review all applications for employment; (5) interview and screen applicants, as necessary; and (6) provide a recommendation for hiring to the Board of Directors for their approval. The Administrative Assistant will forward timely responses to all applicants and inform them of the status of their application.

For the regional staff, the state designee will: (1) prepare a formal job description and job announcement; (2) ensure that recruitment sources and methods are used that will attract a diverse pool of qualified applicants; (3) prepare and fairly distribute employment announcements; (4) review all applications for employment; (5) interview and screen applicants, as necessary; and (6) provide a recommendation for hiring to the State Air Director and the Executive Director for their approval. The state designee will forward timely responses to all applicants and inform them of the status of their application.

All information submitted by applicants for open positions shall be kept on file for a period of three years.

2. Hiring. According to Article XVII of the LADCO By-Laws (March 1, 2004): "(t)he membership shall appoint an executive director to be responsible for the managerial

and technical administration of the daily activities of the Consortium. The term of appointment of the executive director shall nominally be for one year and at the discretion of the membership may be extended for successive terms.

The membership may appoint or authorize additional executive staff as required by the workload. The executive staff shall be responsible to the executive director. The hiring and firing, the wages, benefits and other compensation, as well as job description and duties, of all executive staff shall be approved in advance by the Board of Directors.”

An offer of employment will be made in writing to prospective employees. The letter of employment will clearly state all conditions of employment, job description, rate of pay, benefits, starting date, working hours, and reporting arrangements. Starting salaries offered will be comparable with those for jobs of similar characteristics and prior work experience requirements.

Pursuant to a contractual arrangement between LADCO and a given state, the state may request the hiring of regional staff. The regional staff will be responsible to the state designee. The hiring and firing, the wages (including raises), and job descriptions and duties of the regional staff shall be approved in advance by the State Air Director, the state designee, and the Executive Director. The benefits, leave, employee conduct, and other items covered by this document shall apply to the regional staff. Any changes or adjustments shall be approved in advance by the State Air Director, the state designee, and the Executive Director.

D. Immigration Policy

Employees must comply with the Immigration Reform and Control Act of 1986 and provide proof of identity and eligibility for employment in the United States. An updated Immigration and Naturalization Service Form I-9 must be completed. Required documents satisfying both requirements will be maintained in employee personnel files.

III. EMPLOYMENT

A “regular” employee is one hired without a specific limitation on the length of employment. The term “regular” does not connote any contract or agreement as to continued employment.

A. Regular Full-time Employee

An employee who works 36 or more hours per week is considered to be a regular, full-time employee.

B. Regular Part-time Employee

An employee who works more than 12 hours per week on a regular schedule, but less than 36 hours per week, is considered a regular, part-time employee.

C. Temporary Employee

A temporary employee is one who does not work on a regular basis, but rather on-call as the workload demands, or is hired for a specific duration of time to perform a certain job function.

D. Exempt and Non-Exempt Status

For the protection of all workers, the federal government enacted the Fair Labor Standards Act (FLSA) to regulate minimum wages and overtime requirements. The law also classifies positions into two categories, those who are in positions covered by the law (non-exempt) and those who are not covered by the law (exempt).

The term “non-exempt” refers to employees whose primary job duties do not involve making independent decisions or directly managing a program. Non-exempt employees are subject to the law’s overtime provisions that require employees to be paid one and one-half times their regular rate of pay for all hours worked in excess of 40 in a workweek. All non-exempt employees must obtain authorization from LADCO’s Executive Director before working overtime.

The term “exempt” refers to salaried professional administrative or executive employees whose primary job duties are directly related to management policies or general business operations; who exercise discretion and independent judgment; or directly manage a program. Exempt employees are not subject to FLSA’s overtime and minimum wage provisions. Exempt employees are expected to carry out the necessary functions of their position even if it requires working in excess of 40 hours per week.

E. Outside Activities

Employees must take care to separate their personal roles from their organization positions when communicating on matters not involving organization business. Employees must not use organization identification, stationery, supplies, or equipment for personal or political purposes.

When communicating publicly on matters that involve LADCO business, employees must not presume to speak for LADCO on any topic, unless they are certain that the views they express are those of the organization, and it is the organization's desire that such views be publicly disseminated. In accordance with Article XVII of the LADCO By-Laws (March 1, 2004): “(t)he members recognize that there may be confusion as to the relationship of LADCO and its member states relative to the authority of LADCO to speak on behalf of its members or any individual member to speak on behalf of LADCO. Therefore, no member shall take a public or private position on behalf of LADCO or purporting to represent LADCO on any air quality or air modeling issue unless the members have reached consensus on such issues. In addition, the executive director and executive staff shall take no positions on any air quality issues or air modeling policy issues independent of the members. For any air quality or air modeling policy issue on which the members have reached consensus, the executive director and the executive staff may represent LADCO on any such issue consistent with the consensus reached by the members.”

When dealing with anyone outside the organization, including public officials, employees must take care not to compromise the integrity or damage the reputation of either the organization or any outside individual, business, or government body.

Employees must avoid participating in any other activity outside the organization that would, or would appear to, either create an excessive demand upon their time and attention, thus depriving the organization of their best efforts on the job, or create a conflict of interest that may interfere with the independent exercise of judgment in the organization's best interest.

Regular, full-time and regular, part-time employees should not engage in other (outside) employment that is related to the work of LADCO, unless permission is obtained in advance from the Executive Director. The good of the organization and compliance with LADCO's conflict of interest policy (see Section VII.E) will be determining factors in considering such permission.

Regular, full-time and regular, part-time employees should not serve on a governmental board, commission, or other agency, or perform a service for some body that is related to the work of LADCO, unless permission is obtained in advance from the Executive Director. In the case of the Executive Director, permission must be obtained from the Board of Directors.

F. Hours of Work and Attendance

The normal work schedule for regular, full-time employees is Monday through Friday from 8:30 a.m. to 5:00 p.m., with one-half hour for lunch. The normal work schedule for regular, part-time employees will be determined upon hiring and will be within the work schedule for regular, full-time employees. LADCO recognizes, however, the need for flexible scheduling. Alternative schedules which include the one-half hour for lunch may be approved by the Executive Director and, in the case of regional staff, the state designee, provided they do not negatively affect the work of other LADCO employees or the LADCO member states.

All personal matters should be taken care of during the lunch break or outside of normal working hours. In addition, regional staff is expected to comply with their respective state office policies and procedures. Personal phone calls should be strictly limited during working hours.

Executive staff should notify the Executive Director or the Administrative Assistant if they are going to be late or absent from work. Regional staff should notify the state designee if they are going to be late or absent from work. Should an employee arrive late for work (or need to leave early), then the employee may either charge that time to vacation or personal leave, or make-up that time within that pay period. A reduced lunch break will not be substituted for arriving late or leaving early.

G. Inclement Weather and Building Closure

The Executive Director may order the executive staff office closed during periods of severe inclement weather. The Executive Director may also order the executive staff office closed if the working conditions are unsuitable (e.g., due to a power outage). Regional staff is expected to follow their respective state office operating status (e.g., office closure due to severe inclement weather, power outage, or work stoppage). If the executive staff office is closed by the Executive Director (or the state office is closed), then regular, full time and regular, part-time employees will be paid as if they worked the hours that they were expected to work that day. An employee on vacation will not be charged a vacation day, if the office is closed. Employees who can accomplish work at other locations will be expected to do so (e.g., attend meetings away from the office or work at home).

H. Personnel Records

A personnel file is maintained for each employee. Each personnel file will contain pertinent records related to: hiring, compensation, position classification, benefits, attendance, performance evaluations, disciplinary actions, and termination. Access to an employee's personnel file is strictly limited to the employee, the Executive Director, the Administrative Assistant, and, in the case of regional staff, the state designee. Except as required by law, persons not employed by LADCO will not generally have access to employees' personnel files.

To ensure that vital information is current, each employee shall promptly notify the Administrative Assistant of any changes in:

- Legal name
- Home address
- Home phone number
- Person to be notified in case of accident or other emergency
- Name, ages, and number of dependents
- Beneficiary for benefits.

I. Training

LADCO will provide job-related training opportunities for its employees. This training is necessary to ensure the highest standards of performance by the executive and regional staff. In addition, LADCO will attempt to accommodate (e.g., through flexible scheduling) other employee training.

IV. COMPENSATION

A. Pay Procedures

1. Frequency. Employees are paid bi-monthly on the 15th and last day of the month. Payment is for the preceding 15-day period. If the 15th or last day of the month falls on a weekend, then employees will be paid on the preceding Friday.

2. Payment and Documentation. Employees will have their pay electronically

deposited (direct deposit) into the account they designate. For each pay period, employees will receive a statement of gross earnings, authorized deductions, and net earnings.

3. Authorized Salary Deductions. Authorized salary deductions are those required by law, such as FICA, Medicare, and federal, state, and local taxes, and those allowed by law, such as 403(b) plan (if the employee elects to participate).

4. Salary Adjustment/Evaluation. For the executive staff, the Executive Director will provide a performance evaluation and make any salary adjustments on an employee's anniversary date. Appraisals will focus on the employee's positive contributions to LADCO, including productivity, quality of work, punctuality, attendance, ability to learn, initiative, attitude, and conduct.

For the regional staff, the state designee shall assist the Executive Director in providing an annual performance evaluation. Appraisals will focus on the employee's positive contributions to LADCO and the state agency, including productivity, quality of work, punctuality, attendance, ability to learn, initiative, attitude, and conduct. Any salary adjustments will be made at the discretion of the state agency.

B. Personnel Activity Reports (Time-Sheets)

Regular, full-time employees (executive staff) will maintain their own monthly Personal Activity Report (Attachment B) and record percentage of time on a monthly basis associated with each LADCO funding source and activity. Any leave taken will also be recorded. The Executive Director and employee will sign and date the report.

Regular, part-time and non-exempt employees are required to complete a monthly Personal Activity Report (Attachment B) indicating the total hours worked each day. The Executive Director and employee will sign and date the report.

All regional staff will keep a record of hours worked (i.e., time sheet) on assigned tasks. Time sheets shall be reviewed and approved by the state designee and also submitted to the Administrative Assistant on a monthly basis.

C. Overtime Practices

It is responsibility of the Executive Director and, in the case of the regional staff, the state designee to exercise appropriate controls on hours worked by personnel and to assure correct reporting of the time worked. It is LADCO's policy to limit work beyond normal work hours to those instances where it is necessary to meet deadlines or to clear up a backlog of work. The Executive Director and the state designee will attempt to provide employees as much advance notice as possible of instances in which employees may be required to work beyond normal work hours.

As defined in Section III.D., exempt employees are salaried employees and are not eligible for overtime pay. Part-time and temporary, non-exempt employees are not

eligible for overtime, unless they work more than 40 hours in one week.

D. Compensatory Time

The FLSA requires that non-exempt employees be paid a premium for overtime hours worked. As a result, non-exempt employees are not allowed to take compensatory time off in lieu of overtime.

Exempt employees are hired to do a job that needs to be done even though it may demand more than a 40-hour workweek. LADCO recognizes that employees may work extra hours (after normal hours or on weekends) due to travel arrangements, project deadlines, or other activities. In consideration of working extra hours, exempt employees working more than a 40-hour week may, in some cases, earn compensatory time off. Prior approval of the Executive Director and, in the case of the regional staff, the state designee is required to earn compensatory time off. Compensatory time off is earned in the same proportion that extra hours were worked. Any compensatory time off approved by the Executive Director and, in the case of the regional staff, the state designee must be taken within 30 days of when it was earned. Upon termination of employment, no compensation will be provided for unused compensatory time off.

V. BENEFITS

A. Applicability

LADCO provides employee benefits to its regular, full-time and regular, part-time employees.¹ Temporary and other employees are not eligible for LADCO employee benefits other than those required by law, such as FICA, worker's compensation, and unemployment insurance.

B. Life Insurance

LADCO provides a term life insurance policy in the amount of \$150,000 for each employee, free of charge.

C. Health Insurance

1. Standard Health Insurance. LADCO provides a health and dental insurance policy for employees and dependents. LADCO pays 90% of the monthly cost. More complete information on health insurance is available from the Administrative Assistant.

In addition, LADCO offers an optional flexible spending account for employees which can be used for unreimbursed, eligible medical and dependent care expenses.

2. Supplemental Health Insurance: Under the existing standard health insurance policy, there is a \$500 deductible per year. As supplemental health insurance, LADCO will reimburse each employee for medical expenses up to \$500, upon

¹ Benefits for regular, part-time employees may be prorated based on average hours worked per week.

submission of valid health receipts.

3. Long-Term Disability Insurance: LADCO provides long-term disability for employees. LADCO insurance pays a monthly benefit of 60% of the first \$8,333 of an employee's gross salary after the first 90 days, up to \$5,000 per month, until the later of an employee's Normal Retirement Age (as defined by the Social Security Administration) or the period shown below:

<u>Age on Date of Disability</u>	<u>Benefit Period</u>
Less than 60	to age 65
60 - 68	60-15 months (see policy)
69 and over	12 months

D. Retirement Plan

LADCO offers an optional, tax-exempt 403(b) plan. For calendar year 2011, the maximum employee contribution is \$16,500 per person, with an additional "catch-up" amount of \$5,500 for people over 50. For regular, full-time employees, LADCO will match on a 1:1 basis (up to 5% of an employee's salary) a participating employee's contribution to their 403(b) retirement fund (effective January 1, 2011).

E. Worker's Compensation Insurance

Worker's compensation insurance is provided by LADCO to cover medical expenses and disability claims of employees who suffer on-the-job injuries as determined by specific state laws. If a worker is injured, loses time from work, or suffers some other disability due to a job-related injury, then LADCO will provide through its insurer, medical treatment and disability benefits in accordance with the applicable Worker's Compensation Law.

Employees who sustain accidents or injuries on the job should immediately notify the Executive Director or the Administrative Assistant. The Administrative Assistant will complete the necessary forms and forward them to LADCO's insurance company for determination of benefit eligibility.

F. Relocation Expenses

It is LADCO's policy to reimburse new employees for reasonable and necessary relocation expenses. To ensure reimbursement for any expected expenses, prior approval of the Executive Director is required. Only the actual amount of incurred expenses will be reimbursed and must be supported by original receipts. Allowable reimbursable expenses are limited to the following:

- Costs of transportation of the employee, members of the employee's immediate family, and personal effects to the new location.
- Costs of finding a new home, such as advance trips (a maximum of two trips will be allowed) by the employee and their spouse to locate housing.
- Temporary lodging during the transition period, up to a maximum of 30 days, including advance trip time.

VI. LEAVE and ABSENCES

A. Holiday and Personal Leave. To be eligible for holiday leave, an employee must be in a pay status either the workday before or the workday after the holiday. An employee shall not be eligible to be paid for holidays that occur either before the first date or after the last day the employee works.

Regular, full-time and regular, part-time employees (executive staff) are allowed holiday leave (days off with pay) for the following eleven (11) days each calendar year:

- (1) New Year's Day (January 1)
- (2) Martin Luther King Day (third Monday in January)
- (3) President's Day (third Monday in February)
- (4) Memorial Day (last Monday in May)
- (5) Independence Day (July 4)
- (6) Labor Day (first Monday in September)
- (7) Thanksgiving Day (fourth Thursday in November)
- (8) Day after Thanksgiving (fourth Friday in November)
- (9) Christmas Day (December 25)
- (10) Christmas Eve (December 24)
- (11) New Year's Eve (December 31)

Regular, full-time employees (executive staff) are also allowed two personal days of paid leave. For regular, part-time employees, the number of allowed days shall be prorated based on average hours worked per week. Personal days cannot be carried over to a subsequent calendar year. Upon termination of employment, no compensation will be provided for unused personal days.

For the executive staff, an employee may request the Executive Director's permission to work on a holiday in exchange for another day off. Although employees are encouraged to take all holidays off, such requests will be granted when it is in the best interest of both LADCO and the employee. Deferred holiday time off should be taken in full (or half) day increments and cannot be carried over to a subsequent calendar year. Upon termination of employment, no compensation will be provided for unused deferred holiday time off.

Regional staff will comply with their respective state holiday schedule. In addition, regional staff is allowed a certain number of personal days of paid leave to ensure that they have, at least, the same number of holiday and personal leave days as executive staff (i.e., 13 days). For example, if a state has 9 official holidays, then the regional employee is allowed 4 personal days; and if a state has 15 official holidays, then the regional employee is allowed no personal days. For regular, part-time regional employees, the number of allowed days shall be prorated based on average hours worked per week. Personal days cannot be carried over to a subsequent calendar year. Upon termination of employment, no compensation will be provided for unused personal days.

B. Vacation Leave

Regular, full-time employees are allowed paid vacation leave as follows:

<u>Paid Vacation</u>	<u>Years of Employment</u>
10 days paid vacation	Initial up to five years
15 days paid vacation	From five years up to ten years
20 days paid vacation	After ten years

The vacation leave days noted above are available for use starting January 1 of each calendar year. Regular, full-time employees who begin work during the year shall receive a prorated portion of the available days for that year.

Paid vacation leave days for regular, part-time employees shall be determined by the Executive Director.

Vacation leave for the executive staff must be approved in advance by the Executive Director. The Executive Director will make every effort to allow employees to take vacations when they wish, but the Executive Director must also ensure that LADCO's obligations are met. Requests for approval of vacation leave of at least five consecutive work days should be made at least 30 days in advance. Should circumstances compel a change of plans, reasonable notice should be provided to the Executive Director.

Vacation leave for the regional staff must be approved in advance by the state designee. Requests for approval of vacation leave of at least five consecutive work days should be made at least 30 days in advance. Should circumstances compel a change of plans, reasonable notice should be provided to the state designee.

Vacation leave must be reported accurately. For reporting purposes, one day of vacation equals 8 hours. Vacation leave should be taken in full or half day increments. (Smaller increments may be allowed, if needed pursuant to Section III.F.)

Vacation leave should be used during the year it is earned, but up to fifteen (15) days be carried over to a subsequent calendar year. Any additional vacation hours due and not taken during the year shall be forfeited.

Upon termination of employment, compensation will be provided for unused vacation days from the year of termination, including both any remaining carry-over days and a prorated portion of the available days for that year.

C. Sick Leave

Regular, full-time employees are allowed ten days of paid sick leave each calendar year. For regular, part-time employees, the number of allowed days shall be prorated based on average hours worked per week. Unlimited, unused sick leave can be carried over to a subsequent calendar year.

The sick leave days are available for use starting January 1 of each calendar year.

Regular, full-time employees who begin work during the year shall receive a prorated portion of the available days for that year.

Sick leave is available only for a personal illness, doctor, dentist, and other health appointments or an illness of an immediate family member. Immediate family is defined as a spouse, children, parent, siblings, grandparents, grandchildren, in-laws, and shall be inclusive of step family.

In the event of a long-term illness, upon expiration of eligible sick leave, employees will have the option of utilizing available personal leave or vacation time. Upon expiration of eligible sick leave and vacation time, additional time off must be taken without pay or sick leave donated by another employee can be used. (An employee providing sick leave may only donate up to 40 hours per year.)

Upon termination of employment, no compensation will be provided for unused sick leave.

D. Maternity and Paternity Leave

Regular, full-time employees are allowed two weeks of paid leave after the birth (or adoption) of a child (children). For regular, part-time employees, the number of allowed days shall be prorated based on average hours worked per week. Subsequent to this period, up to 12 weeks of unpaid leave (or use of available vacation and/or sick leave) will be allowed. Up to 12 additional weeks of unpaid leave, resulting in a total of 26 weeks, may be allowed, if approved in advance by the Executive Director.

E. Jury Duty Leave

Regular, full-time and regular, part-time employees are allowed paid leave to serve on a jury. Employees must notify the Executive Director and, in the case of the regional staff, the state designee prior to taking jury duty leave. If their service on a jury requires their absence from work for more than one day, then they must notify the Executive Director and, in the case of the regional staff, the state designee on each day that they will be performing jury duty. Employees are required to report to work any day they are not needed in court, and any day they are dismissed before 1:00 p.m.

F. Bereavement Leave

Regular, full-time and regular, part-time employees are allowed paid leave for up to three workdays for a death in the employee's immediate family (as defined in Section VI.C), within a reasonable period after the death.

G. Leave of Absence

A leave of absence is an agreement that an employee may return to work after an extended period (generally, 30 days or more) away from work. The duration of each leave of absence and the terms of the leave of absence (e.g., use of paid vacation and sick leave, use of personal days, and availability of any benefits) shall be within the discretion of the Board of Directors. Requests for a leave of absence (or any extension of leave) must be submitted in writing to the Executive Director and, in the case of the

regional staff, the state designee at least 30 days prior to commencement of the leave, or the extension.

Vacation and sick leave benefits will not accrue during any unpaid leave of absence. Upon returning from a leave of absence, all benefits earned prior to the leave of absence shall remain in effect.

A sick leave of absence may be granted an employee whose illness or disability continues beyond the employee's eligible sick leave, personal leave, and vacation leave. Upon requesting a sick leave of absence, the employee must submit a written statement from his/her personal physician specifying the estimated date that the employee should be available to return to work. Should that date change, a subsequent written statement from the physician will be required.

An employee who is unable to report for work because of arrest or incarceration will be placed on unpaid leave of absence. If the employee is unable to secure bail, then the leave of absence shall continue until final disposition of the charges. If the employee is freed on bail, then resumption of active employment pending disposition of the charges will be decided by the Executive Director and should be consistent with a safe and efficient operation of LADCO's business.

H. Voting Leave

Regular, full-time and regular, part-time employees are allowed up to two hours of paid time off during the workday to vote in any federal, general, or local elections, if their scheduled work hours will not allow adequate time to vote. Employees are encouraged to vote before or after normal working hours.

VII. EMPLOYEE CONDUCT and WORKING CONDITIONS

A. General Employee Conduct

LADCO and its employees must, at all times, comply with all applicable laws and regulations. LADCO will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. LADCO does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing LADCO's operations.

Employees uncertain about the application or interpretation of any legal requirements should refer the matter to the Executive Director, who, if necessary, should seek legal advice.

LADCO expects its employees to conduct themselves in a businesslike manner. Drinking, gambling, fighting, swearing, and similar unprofessional activities are strictly

prohibited while on the job.

Employees must not engage in sexual harassment, or conduct themselves in a way that could be construed as such, for example, by using inappropriate language, keeping or posting inappropriate materials in their work area, or accessing inappropriate materials on their computer.

B. On-the-Job Injuries

Employees who sustain accidents or injuries on the job should immediately notify the Executive Director or the Administrative Assistant. The Administrative Assistant will complete the necessary forms and forward them to LADCO's insurance company for determination of benefit eligibility.

C. Drug-Free Workplace

It is LADCO's policy to create a drug-free workplace in keeping with the spirit and intent of the Drug-Free Workplace Act of 1988 (See Attachment C). The use of controlled substances or being under the influence of controlled substances while performing services for LADCO is inconsistent with the behavior expected of employees, subjects all employees and visitors to LADCO offices to unacceptable safety risks, and undermines our ability to operate effectively and efficiently.

The unlawful manufacture, distribution, dispensation, sale, or use of a controlled substance in the workplace, or while engaged in LADCO business or activities off LADCO premises, is strictly prohibited. Any illegal substances confiscated from an employee may be turned over to the appropriate law enforcement authorities. LADCO strongly encourages any employee who believes he or she may have a drug or alcohol abuse problem to obtain counseling immediately. In appropriate circumstances and prior approval by the Executive Director, paid vacation or sick leave may be taken to accommodate treatment and/or attendance at rehabilitation programs.

As a condition of employment, all employees are obligated to comply with this Drug-Free Workplace policy, and notify LADCO of any criminal drug statute conviction for a violation occurring in the workplace, including pleas of nolo contendere, within five days of such conviction or plea.

Additionally, employees who violate any aspect of this policy will be subject to disciplinary action, up to and including termination.

D. Harassment

LADCO prohibits any form of physical, verbal, visual, or sexual harassment of any of its employees in the work place by any person.

Sexual harassment includes:

- unwelcome sexual flirtations, advances, or propositions;
- verbal abuse of a sexual nature;

- subtle pressure or requests for sexual favors or activities;
- unnecessary touching of an individual;
- graphic or verbal commentaries about an individual's body;
- sexually degrading words used to describe an individual;
- a display in the workplace or sexually suggestive objects or pictures;
- sexually explicit or offensive jokes;
- physical assault.

Sexual harassment also includes verbal or physical conduct when:

- submission to the conduct is made either explicitly or implicitly a term or condition of any individual's employment; or
- submission to or rejection of the conduct is used as the basis for employment decisions; or
- the conduct has the purpose or effect of substantially interfering with the individual's work performance or creating an intimidating, hostile, or offensive working environment.

Employees should report any harassment immediately to the Executive Director or any of the Board of Directors (or another appropriate state employee, such as a Project Team representative), who will make every effort to resolve the complaint promptly and effectively.

All actions taken to resolve complaints of harassment will be confidential. Retaliatory action against an employee who charges harassment will be subject to appropriate sanctions, up to and including termination.

E. Conflict of Interest

LADCO expects that employees will perform their duties conscientiously, honestly, and in accordance with the best interests of the organization. Employees must not use their position or the knowledge gained as a result of their position for private or personal advantage. Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with their employer, they should immediately communicate all the facts to the Executive Director.

LADCO employees shall not engage in conduct resulting in a real, potential, or apparent conflict of interest. A conflict of interest may arise when any action by a LADCO employee, whether isolated, recurring, or continuous, is to the direct financial advantage of this employee, or their spouse, parent, or child. LADCO employees shall not participate in the selection, final choice, or management of a contract, covered by donor funds, if a real, potential, or apparent conflict of interest would be involved. Such a conflict of interest would arise when any employee or any member of their family, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm/organization selected for a final contract. LADCO employees must at all times provide full disclosure of their actions or relationships with perspective vendors,

contractors, or consultants. If any family member is to be employed or contracted, then prior approval from the Board of Directors is required.

LADCO employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, sub-recipients, parties of project contractors, or entities regulated by its member states. LADCO employees are, however, allowed to accept gifts including meals of a nominal face value not to exceed \$25. As appropriate, either the Executive Director or the Board of Directors will be responsible for determining the disciplinary action that will be imposed for any conflict of interest violations.

F. Smoking Policy

The main LADCO office is designated as a no-smoking area. That designation covers the entire office, not just individual areas. Consequently, smoking is not allowed anywhere in the office, including common or public areas, such as conference rooms and hallways.

G. American with Disabilities Act

The American with Disabilities Act (ADA) of 1990 is a federal civil rights law that prohibits discrimination against individuals with disabilities. The ADA also prohibits discrimination because of an individual's relationship or association with a disabled person. It is LADCO's policy to provide equal employment opportunity to all employees and applicants, including individuals with disabilities.

H. State Office Policies

In addition to the policies in this section, regional staff is expected to follow any applicable state policies pertaining to employee conduct and working conditions.

VIII. EMPLOYEE SEPARATION

A. General

Separation is an act that terminates the employee's relationship with LADCO. Each employee may terminate their employment relationship at any time, with or without notice or reason. Resignation is a voluntary separation initiated by the employee, and terminations and lay-offs are separations initiated by LADCO.

LADCO retains the right to terminate the employment relationships without notice for cause and with two weeks notice for non-cause. Expected, long-term reductions in federal funding levels (i.e., LADCO's primary funding source) may necessitate reductions in staffing levels.

An employee who resigns or is terminated may be asked to participate in an exit interview, and a record of such will be placed in the employee's personnel folder. Before departure, all employees must surrender all credit cards, keys, and any other LADCO property in the employee's possession.

B. Resignations

Employees considering resigning are encouraged to discuss this with the Executive Director before formalizing the decision. Resignation is an important decision; other alternatives may be possible. LADCO would like to have at least two weeks notice so that proper arrangements can be made in work schedules.

C. Termination

Regretfully, there may be instances where conditions may warrant the termination of an employee for cause. This includes, but is not limited to, dismissal from LADCO due to:

- unacceptable job performance, or
- misconduct towards other employees, members, donors, and others associated with LADCO.

In some cases, the employee may receive prior warning and given a time period for adjustments to be made. Under certain circumstances, an employee may be immediately terminated. In the case of dismissal for reasons of misconduct, an employee forfeits any notice.

In the event of involuntary termination of employment, no compensation is provided for unused vacation (or other leave) days.

IX. DISCIPLINARY ACTIONS

A. Background

Some violations of LADCO rules and standards may not warrant immediate termination of employment. Any such violation may be grounds for discipline, and repeated and cumulative violations may result in suspension or discharge. Disciplinary actions may include verbal correction, written notice, suspension without pay, or discharge.

The Executive Director is responsible for taking appropriate disciplinary action to ensure the highest standards of performance and a high quality working environment. The Executive Director will consult with the Board of Directors, as appropriate, before taking disciplinary action. The state designee is responsible for informing the Executive Director of any disciplinary action for regional staff.

B. Types of Unacceptable Behavior. The following list of offenses is among, but not all inclusive of behavior that may result in immediate discipline, suspension, or discharge.

- supplying false and/or misleading information as a means of obtaining employment;
- use of intoxicating liquor or drugs during work hours;
- use of intoxicating liquor or drugs off the job in such a way as to interfere with attendance at work or ability to work;
- theft or willful damage to LADCO property or the property of other employees;

- carrying of weapons;
- failure or refusal to perform work as directed, or willful neglect of duties;
- unprofessional or abrasive attitude in performing work or dealing with fellow employees, members, donors, and others associated with LADCO;
- immoral conduct or conduct that violates the common decency of fellow employees, LADCO, or the community;
- excessive tardiness;
- absence without approval;
- submitting false time sheets;
- submitting false expense reports;
- use of LADCO position for personal advancement contrary to the goals of LADCO;
- violating the privacy of LADCO or unauthorized use of any information gained in the performance of job duties;
- unsatisfactory work performance; and
- failure to comply with verification and attestation procedures pursuant to the Immigration Reform and Control Act of 1986.

C. Action to Be Taken. The Executive Director shall take the following progressive disciplinary steps:

- meet with the employee to discuss the matter;
- inform the employee of the nature of the problem and the necessary corrective action; and
- prepare written documentation for the Executive Director's and employee's own records indicating that the meeting has taken place.

If there is a second occurrence, then the Executive Director shall hold another meeting with the employee and take any of the following steps:

- issue a written reprimand to the employee;
- suspend the employee without pay; or
- terminate the employee.

Whatever action is taken, the Executive Director shall prepare a written report detailing the action taken and submit the report to the Board of Directors.

D. Appeal Process. Appeals must be submitted in writing to the Board of Directors. The decision of the Board shall be final.

X. AMENDMENTS AND EXCEPTIONS

A. Amendments

In accordance with Article XVII of the LADCO By-Laws (March 1, 2004), "(t)he hiring and firing, the wages, benefits and other compensation, as well as job description and

duties, of all executive staff shall be approved in advance by the Board of Directors. All promotions, raises and other increases in benefits or other compensation of executive staff shall be approved in advance by the unanimous consent of the Board of Directors.” As such, any revisions to the policies and procedures in this manual must be approved by the Board of Directors. All changes will be in writing and given to the employees 15 days prior to implementation of the new policies or procedures.

B. Exceptions

The Executive Director may make temporary exceptions pending consideration of amendments by the Board. The Executive Director will immediately inform the Board of Directors of any such exemptions and arrange for expeditious consideration of the amendments. All changes will be in writing and given to the employees 15 days prior to implementation of new policy or procedures.

ATTACHMENT A
POSITION DESCRIPTIONS

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM

POSITION DESCRIPTION

Executive Director

The Executive Director of the Lake Michigan Air Directors Consortium (LADCO) is responsible for the managerial and technical administration of the daily activities of the Consortium, as stated in the LADCO By-Laws (March 1, 2004, Article XVII). The responsibilities include the following:

Administrative Responsibilities

Prepare an annual budget, grant applications, funding requests, contracts, financial reports, and other documents, as necessary

Perform certain duties of the Board (see, for example, March 1, 2004, Article XII, Sections 4 and 5, and Article XII, Sections 4 and 5])

Ensure and implement appropriate separation of financial duties, including performing certain financial duties

Manage executive staff of the Consortium

Technical Responsibilities

Provide technical assessments for and assistance to the member states on air quality issues, including managing and overseeing regional air quality analyses for ozone, fine particles, regional haze, air toxics, and other air pollutants

Provide a forum for the member states to discuss air quality issues, including supporting the LADCO Board of Directors, the Policy Steering Committee, the Technical Steering Committee, and the Project Team

Promote communication and understanding on air quality issues and studies, including supporting regional public information efforts, maintaining LADCO web site, and issuing newsletters

Provide information and respond to questions related to work of the Consortium

Organize and coordinate training for the member states, as necessary

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM

POSITION DESCRIPTION Administrative Assistant

The Administrative Assistant of the Lake Michigan Air Directors Consortium (LADCO) performs secretarial, financial, office management, and technical duties, as outlined below, in support of the administration of the daily activities of LADCO. These duties are as follows:

Secretarial

- Assist with communications (answer phones, arrange conference calls, and answer/send mail and e-mail)
- Maintain files
- Arrange travel
- Host meetings
- Perform typing

Financial

- Prepare payroll
- Conduct banking
- Drawdown federal funds
- Pay bills
- Prepare financial summaries
- Assist with grant applications, quarterly financial reports, and audits

Office Management

- Assist with personnel issues
- Deal with service providers (e.g., insurance policies, telephones, internet system, equipment agreements, and courier services)
- Assist with monthly personal activity reports (timesheets)
- Maintain property log and assist with annual inventory

Technical

- Maintain web site

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM

POSITION DESCRIPTION Executive Staff: Atmospheric Modeling

The atmospheric modeler on the executive staff of the Lake Michigan Air Directors Consortium (LADCO) is responsible for supporting regional air quality modeling for the Midwest, and, as necessary, eastern U.S.

The primary duties of the modeler are as follows:

- supporting operation of regional air quality models (e.g., CAMx and CMAQ) by the LADCO States;
- coordinating photochemical modeling activities of the LADCO States;
- performing photochemical modeling runs with regional air quality models;
- developing model inputs and analyzing model outputs; and write, modify, and maintain pre- and post-processing software for modeling systems and data visualization programs;
- performing meteorological modeling with MM5 or WRF, as well as supporting operation of MM5 or WRF by the LADCO States;
- working with other organizations (e.g., USEPA and other multi-jurisdictional organizations);
- supporting computer operations, including Linux-based workstations, in the LADCO office and LADCO States, and
- preparing technical reports and presenting modeling results.

The position requires:

- Bachelor's Degree in Chemistry, Physics, Meteorology, Computer Sciences, or related field;
- background in computer hardware and software technology (both PC and workstation-based);
- experience in running regional air quality models;
- ability to analyze, synthesize, and communicate modeling results to technical and non-technical people;
- ability to work with and direct a small team of other modelers; and
- report writing skills.

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM POSITION DESCRIPTION

Executive Staff: Data Analysis

The data analyst on the executive staff of the Lake Michigan Air Directors Consortium (LADCO) is responsible for supporting air quality data analyses for the Midwest, and, as necessary, eastern U.S.

The primary duties of the analyst are as follows:

- conducting analyses of air quality data, including ozone, fine particle, regional haze/visibility, air toxics and hazardous air pollutants, and meteorological data;
- advising air quality monitoring studies;
- managing contractor work related to the analysis of air quality data;
- supporting data analysis and monitoring activities by the LADCO States;
- working with other organizations (e.g., USEPA and other multi-jurisdictional organizations); and
- preparing technical reports and presenting analysis results.

The position requires:

- Bachelor's Degree in Statistics, Environmental Science, Chemistry, Physics, Meteorology, Computer Sciences, or related field;
- background in computer software (both PC and workstation-based);
- experience in analyzing air quality data;
- ability to analyze, synthesize, and communicate data analysis results to technical and non-technical people;
- ability to work with and direct a small team of other analysts; and
- report writing skills.

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM POSITION DESCRIPTION

Executive Staff: Emissions Inventory and Modeling

The emissions inventory/modeler on the executive staff of the Lake Michigan Air Directors Consortium (LADCO) is responsible for supporting regional emissions inventories and emissions modeling for the Midwest, and, as necessary, eastern U.S.

The primary duties of the emissions modeler are as follows:

- applying emissions models, including the Emissions Modeling System (EMS) and CONCEPT, to prepare the emissions input files for air quality modeling;
- enhancing the content and operation of the EMS and CONCEPT, supporting operation of the EMS and CONCEPT by the LADCO States, and promoting the use of EMS and CONCEPT through training sessions and on-going communications;
- supporting emissions inventory improvement activities;
- supporting emissions inventory and emissions modeling activities of the LADCO States;
- working with other organizations (e.g., USEPA and other multi-jurisdictional organizations); and
- preparing technical reports and presenting emissions results.

Other duties of this position are to serve as the computer systems administrator for the LADCO office (i.e., selection and installation of state-of-the-art computer hardware and software, and maintenance of computer hardware and software), support LADCO staff and States with computer-related issues, and support the LADCO web site.

The position requires:

- Bachelor's Degree in Chemistry, Physics, Meteorology, Computer Sciences, or related field;
- background in computer hardware and software technology (both PC and workstation-based);
- experience in developing emissions inventories and running emissions models;
- ability to analyze, synthesize, and communicate modeling results to technical and non-technical people;
- ability to work with and direct a small team of other modelers; and
- report writing skills.

ATTACHMENT B

PERSONAL ACTIVITY REPORT

EMPLOYEE NAME:

ANNIVERSARY DATE:

APRIL 2011					DAYS OFF	
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	ANNUAL	SICK
				1		
4	5	6	7	8		
11	12	13	14	15		
18	19	20	21	22		
25	26	27	28	29		

LEAVE SUMMARY

CARRY OVER		NEW (CY11)		AVAILABLE (CY11)	
ANNUAL	SICK	ANNUAL	SICK	ANNUAL	SICK

Grant 1: xx%
 Grant 2: xx%
 Grant 3: xx%
 Grant 4: xx%
 Indirect: zz%

	ANNUAL	SICK
PREVIOUSLY (CY11):		
THIS MONTH:		
TOTAL:		
NET AVAILABLE:		

V = Vacation
 S = Sick
 O = Other
 H = Holiday

EMPLOYEE SIGNATURE:

SUPERVISOR SIGNATURE:

ATTACHMENT C

Drug-Free Workplace Act of 1988

As part of omnibus anti-drug legislation, Congress enacted the Drug-Free Workplace Act of 1988 (P.L. 100-690, Title V, Subtitle D). The act requires federal grantees and contractors to certify that they maintain a drug-free workplace. Grantees must establish a written policy that informs employees that the unlawful possession, distribution or manufacturing of a controlled substance in the workplace is prohibited. Thirty-five federal agencies adopted a common rule that sets forth requirements for grantee compliance with the act. The common rule, which amends the agencies' non-procurement suspension and debarment regulations (see 11558), is reprinted at the end of this section. Drug-free workplace requirements for federal contractors are in the Federal Acquisition Regulation (FAR).

Applicability of Drug-Free Workplace Regulations

The regulations apply to grants approved or awarded on or after March 18, 1989. Grantees are not required to provide certifications to federal agencies to continue grants existing at that time, nor are they required to do so to receive a no-cost time extension of a grant awarded prior to that date. The regulations define a grant as any assistance provided to an organization in the form of money or property in lieu of money. Technical assistance, loans, loan guarantees, direct appropriations or veterans' benefits to individuals are not considered grants. The drug-free workplace regulations cover the block grant programs created under the Omnibus Budget Reconciliation Act of 1981, as well as entitlement programs. The regulations apply only to primary grantees. For example, if a state agency receives a federal grant and passes through the funds to several local agencies, only the state agency is required to make a drug-free workplace certification. *The recipients of the pass-through funds are not required to make drug-free Workplace certifications.*

Certifying A Drug-Free Workplace

The drug-free workplace certification is a precondition of receiving a federal grant. Grantees must provide the certification to the federal granting agency as part of the application process. For grant programs that do not have formal application or proposal procedures (such as formula grant programs in which grantees are entitled to receive federal funds), the drug-free workplace certification must be made prior to the actual award of the grant.

The drug-free workplace certification is required for each grant awarded to a recipient organization, except for states. A state can elect to make a single annual certification to each federal granting agency rather than a separate certification for each grant or workplace. One annual certification must be made to each federal granting agency, which would cover all of the state agency's workplaces. Therefore, if a state agency receives grants under several programs from the same federal agency, only one certification must be made to that federal agency.

The Grantee's Drug-Free Workplace Policy

Grantees must publish a statement (e.g., as part of a personnel policy or manual) that informs employees that the manufacture, distribution, possession or use of a controlled substance in the grantee's workplace is prohibited. The statement must identify the site(s) of the performance of the grant and the penalties to be imposed on employees who violate the grantee's drug-free workplace policy.

Grantees must establish a drug-free awareness program to inform employees of the dangers of drug abuse in the workplace, the grantee's policy of maintaining a drug-free workplace, and any available drug rehabilitation and employee assistance programs. Grantees are not required to

Provide or pay for drug rehabilitation programs. Costs incurred by grantees to comply with the regulations are allowable.

All employees "engaged in the performance of the grant" must be given the drug-free workplace policy and informed that they must comply with the policy as a condition of employment under the grant. All direct and indirect charge employees of the grantee are covered by the regulations. Temporary personnel and consultants who are on the grantee's payroll are also covered. Grantees must include in their drug-free workplace policy a requirement that employees notify the grantee of any "criminal drug statute conviction for a violation occurring in the workplace" within five days of the conviction. The federal granting agency must be notified within 10 days after the grantee receives notice of such a conviction. Within 30 days of notice of an employee's conviction for a drug violation in the workplace, a grantee must either take appropriate personnel action against the employee, which can include termination, or require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program that is approved by a federal, state or local health, or law enforcement.

Grants to Individuals

An individual who receives a grant directly from a federal agency must also certify a drug-free workplace, even if another party has an administrative role in distributing the funds. Principal investigators in a research or similar grant are considered "individual" grantees only if the grant is awarded directly to the investigator and not to a university or other organization. Individual grantees must sign a certification that states: "as a condition of the grant, I will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity associated with the grant."

Sanctions for Non-Compliance

One or more sanctions apply to a grantee that makes a false statement in the certification or fails to make a good faith effort to comply with the drug-free workplace regulations (e.g., several employees of the grantee are convicted of criminal drug statute violations that occurred in the workplace). These sanctions include: suspension of payments under a grant; suspension or termination of a grant; and suspension or debarment from federally assisted activities.

A debarment for non-compliance with the drug-free workplace regulations cannot exceed five years. The law authorizes a longer debarment period for drug-free workplace violations than for other grantee violations (three years), which are listed in each agency's suspension and debarment regulations. The head of the granting agency can waive, in writing, a suspension of payments, suspension or termination of a grant, or suspension or debarment of a grantee if he or she determines that such a waiver would be in the public interest.

The regulations state that in determining the level at which a sanction should be imposed for a violation of the regulations, the federal agencies will determine the "department, division or other unit" of the grantee responsible for performing the grant. Therefore, if several units of a state agency receive federal grants and one unit is not in compliance with the regulations, sanctions can only be imposed on that unit and not the entire state agency.

The text of the drug-free workplace common rule, which amends federal agencies' non-procurement debarment and suspension procedures, is provided below.